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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 002665

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SUBJECT: THAI PM IN CHINA: CONTINUITY NOT SUBSTANCE

Classified By: Acting Political Minister Counselor Ben Moeling. Reason s 1.4 (b) and (d).

SUMMARY

- (C) Thai Prime Minister Samak Sundaravej stressed the continuity of warm Chinese-Thai relations in his first visit as PM to China. Samak made the de rigueur expressions of support for a one China policy, Chinese sovereignty over Tibet and a successful, "non-politicized" Olympics, achieving China's political objectives. Samak also discussed educational exchange and economic issues during his trip, which included a stop in fruit-hungry Guangdong province. End Summary.
- (C) Thai Prime Minister Samak Sundaravej visited Beijing and Guangzhou June 30-July 3. Samak had postponed his trip, originally scheduled for May 15-18, after the May 12 Sichuan earthquake. In Beijing, Samak met Beijing Organizing Committee for the Games of the XXIX Olympiad (BOCOG) Chief Liu Qi (whose relationship with Samak dates back to 2000-2002 when Liu was Mayor of Beijing and Samak Governor of Bangkok), Defense Minister Liang Guanglie (Samak also holds the Defense Minister's portfolio), Premier Wen Jiabao and President Hu Jintao. In Guangzhou, Samak met Guangdong Governor Huang Huahua and inspected Thai fruit being sold at the Jiangnan market. Thai Embassy Political Officer Jiraporn Jriranantakji said July 8 that China was the first visit outside of ASEAN for the new Thai Prime Minister.

Courtesy Visit

¶3. (C) MFA Asia Department Thailand, Indonesia, Philippines, Malaysia, Brunei, East Timor, and Singapore Division Deputy Director Yang Yang said July 7 that Samak's trip to China was a "courtesy visit" with "little substance." Chinese Academy of Social Sciences (CASS) Southeast Asia scholar Jia Duqiang agreed that the trip "resulted in nothing concrete." Thai Embassy Political Officer Jiraporn highlighted the accomplishments of the trip, such as they were. She said that Samak had discussed the second year of implementation of the August 2007 10-year strategic framework. In addition to discussing economic issues, Samak pushed for more educational exchange and sought specific assistance in curriculum development aimed at Thai students studying Chinese. Jiraporn conceded, however, that there were few concrete deliverables during the visit.

De Rigueur Statements

14. (C) Despite Yang's Claim that the "substance," she said China had achieved its three main political goals when Samak reiterated support for a one China policy, support for China's sovereignty over Tibet and support for a successful, "non-politicized" Olympic games. Yang also noted that Samak had expressed support for the Sichuan earthquake victims and announced that Thailand had

donated over USD 1 million to relief efforts, another de rigueur gesture for visiting senior officials. Yang and Jiraporn both said no "sensitive issues" (e.g. Burma or the South China Sea) were discussed during the visit.

Continuity with China's Best Friend in ASEAN

15. (C) Yang and Jiraporn said separately that Samak had stressed to Chinese leaders that Thailand's friendly policy toward China would continue under his government. Yang said that China observes political change in Thailand without concern because Thai governments of all political stripes pursue friendly relations with China, "due to Thailand's national interests." Yang said Thailand is one of China's best friends in ASEAN, a title that Jiraporn also claimed after dropping the "one of." Not only are government-to-government ties excellent, but people-to-people relations are warm and economic relations burgeoning. CASS Thai foreign policy researcher Zhou Fangyan said the visit had been a "great success" in maintaining traditionally close Chinese-Thai relations.

Economic and Business Issues

16. (C) Samak witnessed the signing of a steel investment agreement in Beijing and a commercial fruit export contract in Guangzhou (Guangdong province, according to Jiraporn, accounts for 80 percent of China's imports of Thai fruit). Jiraporn said the investment agreement was "exploratory" rather than binding and the fruit contract was "small." Yang

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noted that Thailand in 2007 enjoyed a trade surplus with China. Jiraporn said China and Thailand had in 2007 exceeded their agreed 2010 target on two-way investment of USD 6.5 billion, but needed to work a little to reach the 2010 target of USD 50 billion in two-way trade (USD 31 billion in 2007). Jiraporn said Thailand would like to change the structure of its trade with China, despite the current positive trade balance. Raw materials and agricultural goods dominate Thai exports while high-value-added industrial goods are imported from China. Jiraporn said reforming Thailand's economy is the best solution to this problem, but Thailand sees heavier Chinese investment as another remedy. During his stay Samak also encouraged greater Chinese participation in the Greater Mekong Subregion, specifically Chinese investment in transportation infrastructure.

Thai Internal Politics

17. (C) Yang, who stressed the continuity of Chinese-Thai relations interests, was careful to take a detached view of Thailand's internal development. Jiraporn similarly stated that Thailand's political development plays no role in the bilateral relationship. CASS researcher Zhou said the only domestic political angle to the trip was the enhanced prestige it would give Samak at home. CASS academic Jia agreed that political change in Thailand plays little role in bilateral ties, but said Chinese academics watch political events in Thailand with great interest. Jia said that he disagrees with Chinese academics who say that events in Thailand (and other turbulent democracies) show the failings of the Western political model. Rather, he said, Thailand's "overall success" with democracy is one model for Asia. He cited Indonesia as another example of "overall success" with democracy, but carefully refrained from explicit comparisons with China.

Arms Deal?

18. (C) After PolOff's query about rumors of an arms deal being concluded during the visit, Jiraporn said that only

military officials attended PM Samak's meeting with Defense Minister Liang. Jiraporn quietly observed that the Thai and Chinese military enjoy good cooperation in many areas. RANDT